

D.P.U. 93-91L

Application of Western Massachusetts Electric Company, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of Public Utilities of the Company's proposed surcharge for the Residential Energy Conservation Service Program for fiscal year 1994 (July 1, 1993 - June 30, 1994). Western Massachusetts Electric Company is a member utility of Mass-Save, Inc., which provides services on its behalf.

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FOR: WESTERN MASSACHUSETTS ELECTRIC
COMPANY
Petitioner

I. INTRODUCTION

On May 13, 1993, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00et seq., Western Massachusetts Electric Company ("WMECo" or "Company") filed with the Department of Public Utilities ("Department") a petition for approval by the Department of the Company's proposed surcharge of \$0.20 per monthly bill for the residential energy conservation services ("ECS") program for the fiscal year July 1, 1993 through June 30, 1994 ("FY 1994")¹. WMECo is a member utility of Mass-Save, Inc. ("MSI"), which provides ECS to the Company's customers on behalf of WMECo. The petition was docketed as D.P.U. 93-91L.

Pursuant to notice duly issued, a hearing was held at the offices of the Department on June 8, 1993. No petitions for leave to intervene were filed. In support of its petition, the Company sponsored the testimony of one witness: Sung H. Chon, senior rate research analyst at Northeast Utility Service Company.² The Company submitted three exhibits and responded to two record requests, all of which were made part of the evidentiary record.

¹ On June 2, 1993, WMECo filed a revised calculation of its proposed ECS surcharge. As revised, the Company's proposed ECS surcharge was \$0.21 per bill per month. In response to a Department information request, the proposed surcharge was subsequently revised downward to \$0.20 per bill per month to correct a double counting of the Division of Energy Resources annual assessment.

² Northeast Utility Service Company provides management services to WMECo, including the development and filing of the Company's annual ECS surcharge proposal.

II. ECS SURCHARGE

For FY 1994, the Company proposed an ECS surcharge of \$0.20 per bill per month (Exh. WM-3, "ECS Calculation" at 1). The proposed ECS surcharge is \$0.19 per monthly bill less than the ECS surcharge approved by the Department in Western Massachusetts Electric Company, D.P.U. 92-114-H (1992) for the fiscal year July 1, 1992 through June 30, 1993 (Tr. at 5).

The Company testified that its share of MSI's proposed FY 1994 ECS program budget is \$574,126 (Exh. WM-2, "ECS Calculation" at 1). In addition to the projected ECS program expenditures, the Company has reconciled undercollections and overcollections from prior fiscal years. The net effect of these reconciling items is an overcollection of approximately \$80,000 (id.). The result is a net amount to be collected in FY 1994 of \$483,185 (Exh. WM-3, "ECS Calculation" at 1). The proposed ECS surcharge of \$0.20 per bill is calculated by dividing the total number of bills expected to be rendered during FY 1994 by the net amount to be collected (id.).

Pursuant to Department precedent, if the Company is overcollecting by ten percent or more at the end of the third quarter of FY 1994, it is required to file for adjustment or elimination of its surcharge. See Western Massachusetts Electric Company, D.P.U. 92-114-H at 5 (1992).

III. FINDINGS

Based on the foregoing, the Department finds:

1. that the ECS surcharge to be applied to Company bills during the fiscal year July 1, 1993 through June 30, 1994 shall be \$0.20 per bill per month; and

2. that the Company shall be required to file for an adjustment to its ECS surcharge in the event that it is overcollecting by more than ten percent at the end of the third quarter of FY 1994.

IV. ORDER

Accordingly, after due notice, hearing, and consideration, it is

ORDERED: That the ECS surcharge to be applied to Company bills during the fiscal year July 1, 1993 through June 30, 1994 shall be \$0.20 per bill per month; and it is

FURTHER ORDERED That the Company shall be required to file for an adjustment to its ECS surcharge in the event that it is overcollecting by more than ten percent at the end of the third quarter of FY 1994.

By Order of the Department,